

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6219

BILL NUMBER: HB 1060

DATE PREPARED: Nov 16, 2000

BILL AMENDED:

SUBJECT: Rural Community Wastewater Districts.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides for the establishment of a rural community wastewater district in an unincorporated area having a population of less than 1,250. The creation of the wastewater district must be initiated through petition with a remonstrance procedure. An advisory board would oversee the district. The bill outlines the duties and powers of the advisory board and the administration of the district. The district may collect fees, user charges, and penalties, and has the authority to file a lien for past due fees, user charges, or penalties. Districts may seek funding from the Wastewater Revolving Loan Fund and issue revenue obligations.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill could have an impact on the Indiana Department of Environmental Management (IDEM) and the State Board of Finance. Both entities review loan applications. IDEM must investigate the application and determine if the proposed system meets environmental standards and prepare a report on the application. IDEM forwards a report to the State Board of Finance (SBF). The SBF approves or disapproves the application. If the State Board of Finance approves the loan, the Auditor of State must make the money available to the district applying for the loan. The fiscal impact of this provision is not expected to be great.

Explanation of State Revenues: Loans acquired from the Wastewater Revolving Loan Fund are to be repaid at an interest rate of 1 1/2% per year for the first eight years and at a rate of 5% per year thereafter until the loan is repaid in full.

All costs incurred by IDEM and the State Board of Finance are to be reimbursed by the district through the township board.

Explanation of Local Expenditures: The circuit court with jurisdiction over the township having the most

land in the district is the court with jurisdiction over the petition and over future hearings of the district. Public hearings on the petition are required by the circuit court. The fiscal impact of this provision is indeterminable and will depend on the number and nature of hearings that the circuit court would hear. The costs could be absorbed within the existing budget of circuit courts.

The township board having the most land in the district is required to review the petition, to consult with other township boards that contain land in the district, to make findings related to the district, and to report to the circuit court. The township board must also hold public hearings on the petition. The expenses of the hearings and other expenses associated with investigations and surveys, together with any expense incurred by the township board in subsequent studies of district plans, are payable initially out of the general money of the township that contains the most land in the district. Expenditures of the township board also include expenses incurred by an assisting or a cooperating state agency. The fiscal impact of this provision is indeterminable and will depend on the number and nature of requests to establish a district.

The county election board is to assist the township board in establishing balloting procedures for the election of the advisory board members. The cost to the county election board for assisting the township board could be absorbed within the existing budget.

Explanation of Local Revenues: The amount of revenue that districts would collect from fees, user charges, penalties, loans, and revenue obligations is indeterminable and will depend on the districts established. Township boards would be reimbursed by the districts for expenses incurred, and districts could borrow from the Wastewater Revolving Loan Fund. The term of the loan may not exceed 20 years.

State Agencies Affected: Indiana Department of Environmental Management, State Board of Finance, and the Auditor of State.

Local Agencies Affected: Circuit Courts, Township Boards, and County Election Boards.

Information Sources: Rich Emery, (317) 232-0759, provided information on the operation of the State Revolving Loan Fund.